P 50 E

App F IX 4

1954-55
(C M)

File No 31-54-

Previous Reference s

Serial Nos 36, 37
58, 59

Later Peferences
CM 31-54 dtd
109, 111, 113, 114

GENERAL AND REVENUE SECRETARIAT

al Nos Four

Part B for December 1954

SUBJECT

Recovery of Entertainment Tax
from Sagar and Majestic Talkies

The Deputy Commissioner
Bangalore District
L 10476/Dated 30 11 54
Issues certain instructions

to R M Patel,
Partner, Select Pictures Circuit
Bangalore
L 10457 Dated 30 11 54

Remarks/Issues

M G S APP F III—1]

(1)

MYSORE GOVERNMENT SECRETARIAT

( )

NOTES

File No

FILE HEADING,

Enclosures Ctx - Short Recovery of

FROM

The Select Grade Ceramics, B'lore

No Dated 12 2 54 Received

Diary No 7328/mel	Enclos	Spare copies	Serial No

BRIEF ABSTRACT OF LETTER

Requests that orders may be passed to no due not to pursue the matter of Collecting the alleged Short Recovery of the Cess for the period from 1 4 51 31-3 52.

NOTES AND ORDERS

Chief Secretary's orders

"Examine and give another reminder"

(Sd) K SH
12 2 54

In the meantime Collection may be stayed"

(Sd) L SB
12 2 54

(2) LSG Secretary's order

Communicate stay order and get a

ES—First sheet

WD—03 5 GEL—10 000— 0 1-53

File No 7328/Rd of 1953-54 | Mysore Government Secretariat

Report please the D C Cº one week

(2d) D C
12 d 54

3) Dft letter to the Dc, B'lore Dt
to put up for ...

4) Issue
Today please
Sd

To
The D C, B'lore Dt
No L 15200 dated 17 d re
Calls for Report

5) Reminder to put up
Dy 22/4 Sd Issue
Dy 22/4/54

R Dis L 939 / 22-4-54

To
The D C Bangalore
Letter no Ent J7 336-/52 3 dt July 1954
Forwards the Report —

It is reported by the
D.C Bangalore that the Post Insp
& Enlightenment Fact is due to

See A. 18/55
Dy 22/2/54

Recovery of Short levy of Entertainment Tax from Sagar & Majestic [App F III 2 Talkies

Mysore Government Secretariat | 3423/ne File No. of 195

Serial No

Flag F

The following Reasons Kind reference is invited to the L.R. No L 9531 44/mk 106-53-20 dated 2-11-53 in which the Rate of levy of Entertainment Tax has been worked up in Several Stages It was decided that the Rate should be Calculated according to the table given and if there be any short levy, the arrears resulting from short levy also to be Recovered Retrospectively the objections received to Kyma from Chamber of Commerce, Bangalore Traders Association objected to the recovery of short levy Their objections have been heard they was endorsed in this Office letter no L 11775/mk 106 53-25 dated 14-12-53 Hence the objections

Flag D
Printed case of Linked file

(8) As all the objections have been Considered in the above Cases the only point for Consideration now is regarding the Recovery of Short levy from the Sagar & Majestic Talkies In Sagar and Majestic Talkies Short levy has occurred as Show Tax (Which is not Exempted) has been levied and Collected from the Spectators Kind reference is invited to the Tickets to Rate

Flag R
Note—Contn Sheet

(4) Recovery of Show levy & Entertainment Tax from Sagara & Nagara Talkies

File No 3423/mt of 195 | Mysore Government Secretariat

is as follows -

Rate of admission 0 11 6
Entertainment Tax 0-1-6
Show Tax 0 0 6
Total Value of admission 0-13-6

1) The Show Tax is not leviable It should be paid from out of the realisation of the show since it is levied It is irregular since it is levied it is to be treated as a part of the rate of admission Accordingly the rate of admission is

Rate of admission	Ent Tax levied	Rate to be levied	Total Shortage
0-11-6 + 0-0-6 Show Tax = 0 12-0	0-1-6	0-2-0	36745-0
0-8-0 + 0-0-6 = 0-8-6	0-1-8	0-2-0	

The shortage is calculated from 1-4-57 to 31-3-62 Rs 18652-12-6 is due from Sagara Talkies and Rs 18092-3-0 is due from Nagara Talkies Their request to leave the recovery proceedings as not leviable as no such concession has been shown to any of the State If this concession is shown, the same concession will have to be shown to others also Short levy as short levy items

WD 04861—GPB—60 000—22-1 54

Recovery of Service Charge Levy & Entertainment Tax from Lagan & Regular Talkies

Mysore Government Secretariat | File No 7328 / 3423 | of 195 | [App F III 2 (5)

	Serial No	
Flag F		In all the theatres in the State for and following the orders issued by Govt from time to time the point has been made clear in the CW dated 2/11/53
	10	For orders in reference to Para 1 supra Flag one has been issued in this case
		11) The note as ind cated for the second item in para 9 does not appear to be correct The CW may please quote references, as the particulars required could not be had from the papers available in the file 28/8
	12	Kind reference is invited to the Tickets issued by the theatre vide (Flag R) and the table furnished on Page 22 of PUD Flag Q (items ticked) for the rates noted at Para 9 for orders 2/9/54
Flag R Flag Q		
Pl discuss 5/9	13	Pl enclose the show Tax Net hoay 14/9
Discussed & required action 14/9	14)	Show Tax Act (Mysore Act No XVI of 1951) is put up Kind reference is invited to Section 3 of the Act which regulates the levy on shows 14/9

Note — Contn Sheet

Recovery of Short levy of Entertainment Tax from Sagar & Rajeshe Talkies

File No 3423/one 5444 53/ml of 195

Mysore Government Secretariat

Serial No

(15) Section 3 of the Show Tax Act prescribes the rate of tax to be paid by the Cinema Proprietor per show It does not prescribe the rate to be levied by these proprietors on every admission ticket Therefore the recovery of 0-0-6 per ticket as Show Tax from the visitors is irregular This amount of 0-0-6 which has been recovered already has to be treated as part of the admission fee and thus the entertainment tax calculated on the total of the admission fee plus the Show tax The short levy according to this calculation will come to Rs 36,745-0-6 To this extent, there is loss to the Corporation and also to Government in the proportion of 87½% and 12½% Therefore this amount has to be recovered from the two cinema proprietors The request of the cinema proprietors to waive the recovery may be rejected

15/9

Secy (SP)

(16) I agree the money owed have to be recovered quickly

Secy (SP) 20/9

(17) 21/9/54

(18) Draft letter is for approved

24/9

16 1954

OFFICE OF THE M[illegible]ISTER FO[illegible] PUBLIC HEALTH & LO[illegible] L SE[illegible] CO

No 2678

WD 04861—GPB—CO 000—2° 1 54

Recovery of Hosk levy & Entertainment Tax from Sagara Majestic Talkies

Mysore Government Secretariat | File No. 34/23/mk 44453 of 195 | [App F III 2]

Serial No	
	To The Chief Minister In M 269 dated 16/20 9-54 The Chief Minister desires to know the views of Shri Achar Sahkar on the petition of Dr R K Patel
	Draft reply is put up as per orders at Para 17 supra For orders whether the file may be submitted to the Chief Minister for perusal before issue of the reply 20) Put up a typed letter 25/9 Sdn 25/9
21	Typed draft is put up. Hayde perused by the Chief Minister also the proprietors have to be given an interview (Vide Para 1) 22) 24/9/54 Secy Dept) 24/9
	23) Papers ever put for up an interview Ref Para 1 Papers to CM) 29/9 29/9 9 15 A M on 29-10-54 Pl may be fixed Asst Secy Ministry) 1/10/54

SECRETARY TO GOVT 27 SEP 1954 LSG DEPT

Note Sheet Contn Sheet MYSORE 1 SEP 1954 NCH

Recovery of Stock levy & Entertainment Tax from Sagar & Majestic Talkies

File No 4453/Ent of 195

Mysore Government Secretariat

Serial No

25) Draft advice is sent up for approval
4/10 5/10
6/10

26) Issue of Memo
12/10

To

~~The~~ Sri R M Patel
partner, Select Pictures Circuit
Gandhinagar Bangalore
L 8632 / C m 31-5-54 - 37 9 15 - X - 54
Informed to interview the Ch minister on 29-10-54 at 9.15 AM at Private Office

---

27) Notice has been issued to Sri R M Patel to meet the Chief Minister on 29-10-54 at 9.15 am
The file is recontributed as for orders above for being referred to the P A S to the Chief Minister through the Secretary L S G
18/10/54 18/10
Personal Secy to Chief Minister
28) 19/10

Sri KW
on 19/10/54

29) Sri Patel interviewed the Chief Minister on 29-10-1954 He also interviewed the Secretary to Government, L S G & Planning Departments, on ~~the same date~~ 30-10-54 and discussed the matter

Sri Patel said that the arrears of Entertain-

WD 04861—GPB—60 000—29 1 54

Recovery of short levy of Entertainment Tax from Udaya and Majestic Talkies

Mysore Government Secretariat | File No HH 53/41 of 193 | [App. F III 2

Serial No

ment Tax have been calculated on the amount of admission including the Show Tax from a date prior to the coming into force of the Show Tax Act. It was requested that the arrears may be calculated from the date on which Show Tax Act came to force This was a reasonable request and the Secretary conceded to this point

he second point urged by Sri Patel was that the arrears demanded from him include the Entertainment tax paid by him & that the actual arrears will have to be taken as the amount claimed by Dep Comr, minus the amount paid hi was also reasonable request and the Secretary expressed that this point will be conceded

hird point was that the Entertainment tax on the admissionfee including Show Tax should be more than what it has been paid by the party For example in th ticket demanding 0-8-6, the price of admission is shown as 0-7-8. Show Tax 0-0-6, Entertainment Tax 0-0-4, vide ticket B No 10002 of Majestic Talkies The actual Entertainment Tax to be recovered as per rules is 0-2-0, calculated on 0-8-2 where as the amount demanded now is only 0-0-4 In this ticket alone, the Government have lost 0-1-8 - If the party has paid 0-0-4, then the amount to be recovered from him must be 0-1-8, which is the difference between the amount to be paid and the amount paid This point was made clear by the Secretary to Government L S G & Planning Departments - Sri Patel stated that the notice of demand sent to him does not show the

0-7-8
0 0-6
0 8-2

Note — Contn Sheet

Recovery of Short levy of Entertainment tax from Sagar & Nagara Talkies

(10) File No 7453/mh of 195 | Mysore Government Secretariat

Serial No

amount to be paid by him as per the above calculations, but something more is demanded The Secretary stated that suitable instructions will be given to the authorities concerned to calculate the amount of arrears in the manner indicated above

Lastly, Sri Patel said that he is not fully convinced ~~satisfied~~ regarding the mode of calculation of Entertainment tax on price of admission including show tax and that he has calculated the amount as per the instructions received from the District Magistrate long back and that he cannot be held responsible now to give more amount The Secretary observed that any error in calculation cannot be taken as a conclusive ground for non payment and that as in the case of income tax when such errors in calculations are found out it is the duty of superior Officers to point out the mistakes + recover the balance ? ~~and~~ promised to issue instructions to the subordinate officers to recover the arrears legally due The Secy

Sri Patel said that he will be interviewing the Chief Minister once again

A draft letter has been put up on the lines indicated above to the Deputy Commissioners of Districts for information ~~and~~ endorsement has been put up to Sri R M Patel

5/11

Secy Dept 30) The above note has

WP 04461—GPB—60 000— 2-1 54

Recovery of Entertainment Tax from Sagar Majestic Talkies & city

Mysore Government Secretariat

4463/mc File No of 195

[App F III 2

Serial No	
	been put up after the matter was discussed with me by Sri RM Patel Letter will issue if appe GVRaoCRao 27/11 (CLMinr) 3) Issue 27 11 54 27/11/54 27/11
5975	
1	The D C Bangalore L 10476/c m 31-5-54-58 dy 30-11-54 Issued cautioning instructions Copy to the DCs of other Dts L 10477-84 dy 30-11-54 For information & needful
11	To Sri R M Patel, partner, Select picture L 10485/c m 31-54-54 dy 30-11-54 Endorsed

2/12/54

C

Note—Contn Sheet

Recovery of short levy of Sub-Assessment tax on Sugar & Cheque Talkus

(12) File No 4463/me of 195

Mysore Government Secretariat

Serial No

V D 04861—GPB—60 000—22-1 51

Recovery of Henry J. Lubstan
& Replevin Fee

File No 44483/me of 195

Recovery of Chattels by Executor
(12) File No 4483/me of 195

Recovery sheet Leroy J. Lutchaire
(12) File No 4483/mc of 195

(1)

GENERAL & REVENUE SECRETARIAT
7328
1, FEB 1954
MUNICIPAL BRANCH

Select Pictures

2366
LECTFILM

BANGALORE CI

25th January 195

To

The Chief Minister,
Government of Mysore,
BANGALORE

Sir,

C M. 31-54-36

Subject Short recovery of Entertainment Tax at Sagar and Majestic Talkies, Bangalore

We, the Proprietors of Sagar and Majestic Talkies, Bangalore beg to submit the following few lines for your kind consideration and favourable orders thereon

We received two letters No 334/J7/52-53 dated 26/29th July 1952 from the Deputy Commissioner, Bangalore District, Bangalore, one addressed to the Sagar Talkies and the other to Majestic Talkies informing that there has been a short recovery of entertainment tax for the period from 1-4-51 to 31-3-1952, Rs 18,692-13-6 from Sagar Talkies and Rs 18,052-3-0 from Majestic Talkies and that these amounts were to be remitted to the Government To this we submitted a reply on the 8th August 1952 to the Deputy Commissioner, Bangalore stating that the entertainment tax was being paid by affixing stamps on the tickets of different classes and there was no short levy We had also sent along with the said letter the specimen tickets of each class wherein the details of the price of admission, the Entertainment tax were separately mentioned, but in his latest letter No Ent J7 334/52-53 dated 8-1-54, the Deputy Commissioner, Bangalore had made a reference enquiring the date on which the amounts in question was remitted and that the reply should be sent before 15-1-54 We replied the said letter on the 13th instant reitrating our stand that there was no short recovery of entertainment tax, and that the taxes were being paid correctly Thereafter we received a letter No Cin 64/ Ent 53-54 dated 15-1-54 asking us to arrange payment of Rs 36,745-0-6 immediately , and this letter was from the District Superintendent of Police,Bangalore North, Bangalore

As early as 16-12-48, the Mysore Film Chamber of Commerce Bangalore, addressed a communication to the Deputy Commissioner, Bangalore to clarify certain confusion arisen in regard to the specific entertainment tax, surcharge to be paid on different denomination of tickets, which the Deputy Commissioner was

(2)

was pleased to reply to the Chamber in his communication No 133310/F/48-9 dated 21-2-49, and in the said letter he clarified as to the exact amount of entertainment tax including surcharges to be affixed to the various prices of admission The Chamber in their turn circularised the said letter to all the Exhibitors in Mysore State, and we were adopting that system of affixing the entertainment tax xx stamps to the proper value as directed in the said communication of the Deputy Commissioner We are also submitting, from the very beginning, the detailed statement giving full particulars of the number of tickets sold in each class, rates of admission, amount collected and the tax paid every month in duplicate, one to the Deputy Commissioner, and the other to the respective Police Station, and at no time we were informed about the short recoveryof the entertainment tax, and the first letter of demand to pay Rs 18692/13/ and Rs 18,052/3/- from Sagar and Majestic Talkies respectively was dated 26-7-52 after a lapse of over three years The instructions of the Deputy Commissioner dated 21-2-1949 was revised only on 26-7-52 and from then onwards we have been affixing the entertainment tax stamps on the revised rates Here, it is noteworthy that the Deputy Commissioner, Bangalore had issued a Circular memorandum No 334/J7/52-53 on 26-7-52, modifying the letter No 13310/F/48-49 dated 21-2-49, on the same day on which he had made a demand to Sagar and Majestic Talkies, for Rs 18,692-13-6, and Rs 18052-3-0 respectively as short recovery of tax The said memorandum reads,

> "In modification of the instructions issued by the Deputy commissioner, Bangalore District, (Urban) in his letter No 13310/F H 48-49 regarding the levy of entertainment tax and Surcharge, the following scales of tax for different classes of admission should now be levied The revised rates should be given effect to forthwith in all the theatres and entertainment tax stamps should be properly fixed on all admission tickets according to the saales indicated above "

The Government of Mysore introduced the Show Tax on and from 30-4-51 according to which each of the above theatres are to pay Rs 10/- per show daily, which has naturally become a heavy burden on the Exhibitor A deputation of the local Exhibitors through the Mysore Film Chamber of Commerce waited on the then Finance Minister and explained to him the hardships and troubles which the Exhibitors have to undergo by the imposition of the said Show Tax They also explained how their very existance was threatened While he gave a patient hearing to the deputation, the then Finance Minister assured to review the whole matter sometime later and also suggested that the Show tax may be collected from the patrons as the Exhibitors were doing in the case of Entertainment tax- and according to this suggestion we were collecting 0-0-6 on each ticket in classes of 0-4-8, 0-7-8, and 0-11-6 in order to meet the show tax levied and this was distinctly mentioned in each of the printed tickets issued to the patrons Few specimen tickets are enclosed herein for your kind perusal What patrons have paid specifically as Show tax cannot be subjected to any entertainment tax There have been decisions in the High Court of Bombay and in T & C State that a tax cannot be subjected to another tax

In arriving at the figures of short recovery in his letter No 334/J7/52-53 dated 23rd September 1952, the Deputy Commissioner

Rules under the Mysore Amusements
Tax Regulations - chapter 3 - clause 10 states -

" For the purpose of this rule, 'price of admission'
means the price exclusive of the entertainment-tax
and there shall be marked on every such ticket
a statement that the price marked thereon ex-
cludes the entertainments tax "

(3)

Commissioner has evidently included the Show tax amounts collected separately from the Patrons along with the price of admission and calculated tax accordingly, which we hasten to submit is not correct

In the matter of paying the entertainment taxes, we were guided by the instructions of the Deputy Commissioner, and in accordance with the instructions contained in his letter No 13310/H/48-9 dated 21-2-1949, the stamps were being affixed on the tickets of each class and when it was modified in his letter No 334/J7/52-53 we were accordingly affixing the stamps It is therefore not correct to demand the short levy of tax now especially after a lapse of three years

It is a general practice that the Exhibitors and the owners of the films share the collections between themselves on certain terms of percentage, which they fix from time to time, after deducting the entertainment tax from the Box-Offi gross collections and the accounts are settled then and there after th close of each picture If a demand is made now the burden will naturally be on us alone

In view of the facts mentioned above, we submit that you may be pleased to pass orders so as not to pursue the matter and drop the same and oblige us

Thanking you in anticipation,

Yours faithfully

R I Patel,
Partner,
SELECT PICTURES CIRCUIT.

Copied

ENCL:-

Ticket Specimens
1 Dy Commissioner's Memo of 21-2-49
2 " of 26-7-52
3 & 4 " " Demand Notice of 21/29-7-52
5 Dy: in detail of 23-4-52

/True Copy/

(21)

No.13310/H/48-49

Office of the Deputy Commissioner,
Bangalore District (Urban) Civil
Station, Bangalore dated 21st Feb '49

To

The Honorary Secretary,
The Mysore Film Chamber of Commerce,
Bangalore

Sir,

Sub Entertainment Tax

With reference to your letter dated 16-12-48, on the above subject the rates of entertainment tax for the denominations quoted by you are furnished below as desired

(a) Entertainment tax is charged at 12½% where the payment for admission is 8 annas or more plus 50% surcharges on the entertainment tax fixed In the determination of the amount of tax on each payment for admission, fractions of an anna less than six pies shall be disregarded and fractions of an anna not less than six pies shall be regarded as one anna

Therefore Rs 2/- class	Rate of E Tax	0-4-0
	Surcharge	0-2-0
		0-6-0
Rs 1- 3-0	E Tax	0-2-0
	Surcharge	0-1-0
		0-3-0
1-0-0	E Tax	0-2-0
	Surcharge	0-1-0
		0-3-0
0-11-6	E Tax	0-1-0
	Surcharge	0-0-6
		0-1-6
0-11-0	E Tax	0-1-0
	Surcharge	0-0-6
		0-1-6

(b) where the payment for admission is 4 annas or more but less than 8 annas the tax including surcharge is 4 pies

Therefore 0-7-8 class	- Rate of E Tax	0-0-4
0-4-8	- "	0-0-4

/True Copy/ (5)

Memo No 334/J7/52-53 of 26-7-52: The Dy:Commissioner of Bangalore: according to which modified rates of 26-7-52 now a demand is made with retrospective effect for period prior to this of 26-7-52 on which day alone the Demand Notices under reference such as 334/J7/52-53 are sent to the Theatres

No 334/J7/52-53

Office of Dy Commissioner & District Magistrate, Bangalore District, Bangalo:
Dated the 26th July 1952

CIRCULAR MEMORANDUM

SUBJECT ENTERTAINMENT TAX AND SURCHARGE - LVEY OF INSTRUCTIONS ISSUED

In modifications of the instructions issued by the Dy Commissioner Bangalore District (Urban), in his letter No 13310-H-H-48-49 regarding the levy of Entertainment Tax and Surcharge, the following scales of tax for different classes of admission should now be levied

Where the value for admission is less than -/2/- annas	Entertainment Tax	Surcharge	T o t a l	Schedule Rates Tax Fixed
	0-0-4	- - -	0-0-6	0-0-4
For 0- 8-0	0-1-0	0-0-6	0-1-6	0-1-6 0-2-0
For 0-12-0	0-1-6	0-0-9	0-2-3	0-2-0 ✓
For 0-13-0	0-1-7½	0-0-9¾	0-2-5¼	0-2-0 ✓
For 0-14-0	0-1-9	0-1-10½	0-2-7½	0-3-0 ✓
For 1- 2-0	0-2-3	0-1-1½	0-3-5¼	0-3-0 ✓
For 1- 3-0 to 1- 7-0	0-2-4½	0-1-2¼	0-3-6¾	0-4-0 ✓
For 1- 8-0	0-3-0	0-1-6	0-4-6	0-6-0 0-5-0

The revised rates should be given effect to in all the theatres and entertainment tax stamps should be properly fixed on all admission tickets according to the scales indicated above Action will be taken separately to collect the short levy of the entertainment tax for the previous periods

Proper register and accounts should be maintained in respect of entertainment tax stamps and tickets sold in forms I and II as per specimen appended below The names of the stamp vendors from whom the stamps were purchased should be invariably noted in Form I Accounts in form I and II of all the days of a week, should be sent to this office and to concerned District Superintendent of Police, on every MONDAY positively

The receipt of this circular may be acknowledged

SD/- T Rangamalliah,
DEPUTY COMMISSIONER & DISTRICT MAGISTRATE
BANGALORE DISTRICT

Copy to The Proprietor, Sagar Talkies

SD/- ----------
FOR DEPUTY COMMISSIONER AND DISTRICT MAGISTRATE
BANGALORE DISTRICT

3

(6)

/True Copy/

Demand Notice No 334/J7/52-53 of 26/29-7-52
Sgar Talkies From The Dy Commissioner, Bangalore

No 334/J7/52-53

Office of the Deputy Commissioner,
Bangalore District, Bangalore,
Dated 26/29th July 1952

From

Sri T Rangamalliah, B Sc ,
Deputy Commissioner,
Bangalore District

To

The Proprietor,
Sagar Talkies,
Kempegowda Road, Bangalore

Dear Sir,

The Director of Ati-Corruption and Efficiency Audit has observed during his audit inspection of the accounts in respect of the Entertainment tax for the period from 1-4-1951 to 31-3-1952 that there is a short recovery of Rs 18,692-13-6

You are therefore requested to remit this amount to Government within a week and intimate the fact of having done so to this office

Yours faithfully,
SD/-T Rangamalliah
Deputy Commissioner
ngalore District

4

/True Copy/ (7)

Demand Notice No 334/J7/52-53 of 26/29-7-52-Majestic Talkies, from The Dy Commissioner, Bangalore

No 334/J7/52-53

Office of the Deputy Commissioner,
Bangalore District, Dated 26th/29-7-19

From

Sri T Rangamalliah, B Sc ,
Deputy Commissioner,
Bangalore District

To

The Proprietor, Majestic Talkies,
Kempegowda Road, Bangalore

Dear Sir,

The Director of Anti-Corruption and Efficiency Audit has observed during his audit inspection of the accounts in respect of the Entertainment tax for the period from 1-4-1951 to 31-3-1952 that there is a short recovery of Rs 18,052-3-0

You are therefore requested to remit this amount to Government within a week and intimate the fact of having done so to this office

Yours faithfully,
SD/- T Rangamalliah,
Deputy Commissioner
Bangalore District

SAK/-

/True Copy/ 5

(8)

Detailed Demand Notice No 334/J7/52-53

OF [illegible] 23-9-52 from the Deputy Commissioner, Bangalore

No M/ 334/J7/52-53

Office of the Deputy Commissioner District Magistrate, Bangalore Dis...
Bangalore, Dated 23rd September 1952

To

The Proprietor, Majesti/Sagar Talkies,
Bangalore

Sir, Subject Short recovery of entertainment tax - payment of-reques

With reference to your letter dated 8-8-1952 on the subject, I write to furnish th ollowing particulars as desired by you

SAGAR TALKIES

No of tickets sold since 1-4-51 to 31-3-52	Rate of admission inclusive of E T	Short levey in each ticket	Total amount to be recovered
35,662	0-13-0	0-0-6	1114- 7-0
93,650	0-13-6	0-0-6	2926- 9-0
1,28,836	0- 8-6	0-1-8	13420- 5-0
Morning Shows 676	0-13-0	0-0-6	21- 2-0
3099	0-13-6	0-0-6	96-12-6
10,792	0- 8-6	1-8-0	1113- 9-0
		Rs	18692-13-6

MAJESTIC THEATRE

No of tockets sold since 1-4-51 to 31-3-52	Rate of admission inclusive of E T	Short levey in each ticket	Total amount to be recovered
31664	0-13-0	0-0-6	989- 8-0
94207	0-13-6	0-0-6	2943-15-6
1,32,168	0- 8-6	0-1-8	13767- 8-0
Morning 1430	0-13-0	0-0-6	44-11-0
Show 359	0-13-6	0-0-6	11- 3-0
2836	0- 1-8	0-1-8	295- 5-0
		Rs	18052- 3-0

An early reply is requested

Yours faithfully,
SD/- M Subramanyam
For Deputy Commissioner &
District Magistrate,
Bangalore District,

Appendix F G—1]

SUBJECT

'4

(9)

Diary No of letter replied to

Mysore Government Secretariat

( )

the *195*

Date of issue

Signed by

Clerk typ
Copy
6/13

List of enclosures

• Copied by

Examined by

Section

File No

Serial No

No L 15200 1 E-2

To 17-2-54

The Co e, Blore Dk

Sr

I am directed to forward herewith a copy of letter no dated 12-2-54 Received from the Proprietors The Select Produce Research, B'lore Co no relative to Collecting the Short Recovery of entertainment Tax from the Regal and Majestic Cinemas accordingly Co Rs 18692-13-6

dues Rs 18,052-3-0 respectively
covering the period from 1 4 51
to 31-3-52 and to request
that a detailed report thereon
may be furnished to Government
within one week

pending orders on the
Representation the Recovery
of the account may be
stayed

Yours faithfully

Sd/-

Sd/-

4/2/52

(11)

15200/E-2

16th February 1954

To

The Deputy Commissioner,
Bangalore District,
Bangalore

I am directed to forward herewith a copy of letter dated the 12th February 1954 received from the Proprietors, the Select Pictures Circuit, Bangalore, in the matter of collecting the short recovery of entertainments tax from the Sagar and Majestic Talkies amounting to Rs 18,692-13-6 and Rs 18,052-3-0 respectively, covering the period from 1st April 1951 to 31st March 1952 and to request that a detailed report thereon may be furnished to Government within one week.

2 Pending orders on this representation, the recovery of the amount may be stayed

Yours faithfully,

(V Hanumanthappa)
Asst Secretary to Government,
L S G & Planning Departments

LNS 2 16/2

(IV)

Letter Dated 12th February 1954, from the Proprietors of Select Pictures Circuit, Bangalore City, to the Chief Minister

Subject - Short recovery of Entertainment Tax at Sagar and Majestic Talkies, Bangalore

We, the Proprietors of Sagar and Majestic Talkies, Bangalore beg to submit the following few lines for your kind consideration and favourable orders thereon

We received two letters No 334/J7/52-53 dated 26/29th/ July 1952 from the Deputy Commissioner, Bangalore District, Bangalore, one addressed to the Sagar Talkies and the other to Majestic Talkies informing that there has been a short recovery of entertainment tax for the period from 1-4-51 to 31-3-1952, Rs 18,692-13-6 from Sagar Talkies and Rs 18,952-3-0 from Majestic Talkies and that these amounts were to be remitted to the Government To this we submitted a reply on the 8th August 1952 to the Deputy Commissioner, Bangalore stating that the entertainment tax was being paid by affixing stamps or the tickets of different classes and there was no short levy We had also sent along with the said letter the specimen tickets of each class wherein the d details of the price of admission, the Entertainment tax were separatel mentioned, but in his latest letter No Ent J7 334/52-53 dated 8-1-54, t Deputy Commissioner, Bangalore had made a reference enquiring the date on which the amounts in question was remitted and that the reply should be sent before 15-1-54 We replied the said letter on the 13th instant reitrating our stand that there was no short recovery of entertainment tax, and that the taxes were being paid correctly Thereafter we received a letter No Cin 64/ Ent 53-54 dated 15-1-54 asking us to arrange payment of Rs 36,745-0-6 immediately, and this letter f was fro the District Superintendent of Police, Bangalore North, Bangalore

As early as 16-12-48, the Mysore Film Chamber of Commerce Bangalore, addressed a communication to the Deputy Commissioner, Bangalore to clarify certain confusion arisen in regard to the specific entertainment tax, surcharge to be paid on different denomination of tickets, which the Deputy Commissioner was pleased to reply to the Chamber in his communication No 133710/H/48-9 dated 21-2-49, and in the

the said letter he clarified as to the exact amount of entertainment tax including surcharges to be affixed to the various prices of admission The Chamber in their turn circularised the said letter to all the Exhibitors in Mysore State, and we were adopting that system of affixing the entertainment tax stamps to the proper value as directed in the said communication of the Deputy Commissioner We are also submitting, from the very beginning, the detailed [illegible] of statement giving full particulars of the number of tickets sole in each class, rates of admission, amount collected and the tax paid every month in duplicate, one to the Deputy Commissioner, and the other to the respective Police Station, and at no time we were informed about the short recovery of the entertainment tax, and the first letter of demand to pay Rs 18692/13/6 and Rs 18,052/3/- from Sagar and Majestic Talkies respectively was dated 26-7-52 after a lapse of over three years The instructions of the Deputy Commissioner dated 21-2-1949 was revised only on 26-7-52 and from then onwards we have been affixing the entertainment tax stamps on the revised rates Here, it is noteworthy memorandum No 334/J7/52-53 on 26-7-52, modifying the letter No 133310/ H/4C-49 dated 21-2-49, on the same day on which he had made a demand to Sagar and Majestic Talkies, for Rs 18,692-13-6, and Rs 18052-3-0 respectively as short recovery of tax The said memorandum reads,

> * "In modification of the instructions issued by the Deputy Commissioner, Bangalore District, (Urban) in his letter No 13310/H H 48-49 regarding the levy of entertainment tax and Surcharge, the following scales of tax for different classes of admission should now be levied-- The revised rates should be given effect to forthwith in all the theatres and entertainment tax stamps should be properly fixed on all admission tickets according to the scales indicated above "

The Government of Mysore introduced the Show Tax on and from 30-4-51 according to which each of the above theatres are to pay Rs 10/- per show daily, which has naturally become a heavy burden on the Exhibitor A deputation of the local Exhibitors through the Mysore Film Chamber of Commerce waited on the then Finance Minister and explained to him the hardships and troubles which the Exhibitors have to undergo by the imposition of the said Show Ta-

They also explained how their very existance was threatened While he gave a patient hearing to the deputation, the then Finance Minister assured to review the whole matter sometime later and also suggested that the Show tax may be collected from the patrons as the Exhibitors were doing in the case of Entertainment tax and according to this suggestion we were collecting 0-0-6 on each ticket in classes of 0-4-8, 0-7-8, and 0-11-6 in order to meet the show tax levied and this was distinctly mentioned in each of the printed tickets issued to the patrons Few specimen tickets are enclosed herein for your kind perusal What patrons have paid specifically as Show tax cannot be subjected to any entertainment tax There have been decisions in the High Court of Bombay and in T & C State that a tax cannot be subjected to another tax

In arriving at the figures of short recovery in his letter No 334/J7/52-53 dated 23rd September 1952, the Deputy Commissioner has evidently included the Show tax amounts collected separately from the Patrons along with the price of admission and calculated tax accordingly, which we hasten to submit is not correct

In the matter of paying the entertainment taxes, we were guided by the instructions of the Deputy Commiccioner, and in accordance with the instructions contained in his letter No 13310/H/48-9 dated 21-2-1949, the stamps were being affix d on the tickets of each class and when it was modified in his letter No 334/J7/52-53 we were accordingly affixing the stamps It is therefore not correct to demand the short levy of tax now expecially after a lapse of three years

It is a general practice that the Exhibitors and the owners os the films share the collections between themselves on certain terms of percentage, which they fix from time to time, after deducting the entertainment tax from the Box-Office gross collections and the accounts are

are settled then and there after the close of each picture If a demand is made now the burden will naturally be on us alone

In view of the facts mentioned above, we submit that you may be pleased to pass orders so as not to pursue the matter and drop the same and oblige us

Thanking you in anticipation,

"CCBF"

(V Hanumanthappa)
Assistant Secretary to Governmen
L S G & Planning Departments

Rules under the Mysore Amusements Tax Regulations-Chapter 3 Clause 10 - states -

"For the purpose of this rule,"price of admission" means the price exclusive of the entertainment-tax and there shall be marked on every such ticket a statement that the price marked thereon excludes the entertainments tax "

- Copy-

MUNICIPAL BRANCH

No.Ent J7 334/52-53 OFFICE OF THE DEPUTY COMMISSIONER,
BANGALORE DISTRICT,
Dated, Bangalore, July 1954

From

The Deputy Commissioner,
Bangalore District,
Bangalore

To

The Secretary to Government,
Local Self Government &
Planning Departments,
Bangalore

Sir,

Subject - Short levy of entertainment Tax at Sagar and Majestic Talkies, Bangalore

Please refer to your letter No L 15200/E 2 dated 17th February 1954

The payment of Show Tax was levied and enforced as per the Mysore Cinematograph Shows Tax Act of 1951 from 30-4-1951 The management of Sagar and Majestic Talkies have collected show tax from the spectators As the Show Tax was solely payable by the Exhibitor, the same ~~should~~ should not have been collected from the spectators Hence this additional levy could only be treated as price of admission on which entertainment tax was payable as per the Mysore Amusements Tax Act of 1932

The contention of the management that the additional levy was only a tax and cannot be subject to further tax does not appear to be sound, since the additional levy is not a tax payable by the spectator

The Director of Efficiency Audit has in paragraph 3(i) of his report indicated that the undermentioned amounts noted against each of the Theatres is recoverable from the management from 1-4-1951 to 31-3-1952

Sagar	-	Rs 18,692-13-6
Majestic	-	18,052- 3-0
Total		Rs.36,745- 0-6

A copy of the report of the Director of Efficiency Audit is enclosed for ready reference Action will be taken for the recovery of the amount after orders of Government are

p t.o.

are received approving the recovery of the same.

Yours faithfully,

Rangamallaiah

(T RANGAMALLIAH), 2/8/1954
Deputy Commissioner,
Bangalore District

KSA
2/8/54

(18)

OFFICE OF THE DIRECTOR OF ANTI-CORRUPTION AND EFFICIENCY AUDIT

Note on the working of the Entertainment and Amusement Tax Act of 1932 in Bangalore

The working of the Mysore Amusement and Entertainment Tax Act of 1932 in Bangalore was examined with a view to finding out if the act is being administered satisfactorily and if there are any leakage of Revenue The following main points are noticed

1 There is no record in the office to show that the Deputy Commissioner, Bangalore District, has empowered any subordinate officer to enter and inspect all places of entertainment in Bangalore City and Civil Area under Rule 25 of the rules read with Section 11 of the said Act with a view to see whether the provisions of the Act and Rules thereunder are being complied with No local inspection of the premises has been conducted and the tickets issued have not been examined by any officer, as could be seen from the books produced by Sagar and Majestic Theatres

Under Rule 19 read with Section 12(1) and 13 of the Mysore Amusement Tax Regulation VIII of 1932, the Deputy Commissioner may, for the protection of Revenue, require the proprietors of Cinema Theatres to keep registers of payments for admission and records of stamps denoting the entertainment tax stamps purchased and used in Form Nos I and II prescribed It is seen that the statements of tickets sold are being sent in Form II to the Deputy Commissioner and the D S Ps, concerned, which are being bundled up and filed without taking any action. Thus it is seen that no scrutiny whatsoever is exercised by any officer,with the result that there has been leakage of Government revenue as pointed out below It is very necessary for the Deputy Commissioner to prescribe the various duties of different officers in this behalf, by the issue of a suitable Notification and to take all necessary action to enforce the inspection of cinema houses by officers to examine the accounts relating to the indent and use of entertainment tax stamps

2 The rates of entertainment tax leviable in the various places are fixed in the following notification issued by Government from time to time

(a) Government Order No L.7441/M1 275-32-13 dated 12/15-5-1933
(b) -do- L.S 8157/M1 101-43-17 " 8-2-1944
(c) -do- L.11862-76/M1 186-43-10 " 24-5-1944

According to the first Notification the rates were -

(i) 3 pies per ticket where the payment for admission is 4 annas or more but is less than 8 annas, and

(ii) at 12½ per cent where the payment for admission is 8 annas or more, subject to the condition that in the determination of the amount of the tax on each payment for admission, fractions of an anna less than sixpies shall be disregarded and fractions of an anna not less than six pies shall be regarded as one anna

(iii) In the Second Notification read above, Government have directed the imposition of a surcharge of 50 per cent on the rate of entertainment tax already fixed by Government and

(iv) in the third order, Government have directed that in respect of tickets where the payment for admission is less than 8 annas, the entertainment tax inclusive of surcharge would be four pies.

It is clear from the above that the rates of levy are to be as under for different classes of admission

Where the value for admission	Entertainment Tax.	Surcharge.	Total	Total tax to be fixed
is less than 8 annas	0- 0-4	-	0-0-4	0-0-4
for 8 annas	0- 1-0	0-0-6	0-1-6	0-2-0
upto 12 annas	0-1-6	0-0-9	0-2-3	0-2-0
for 13 annas	0-1-7½	0-0-9¾	0-2-5¼	0-2-0
for 14 "	0-1-9	0-0-10½	0-2-7½	0-3-0
for 1-2-0	0-2-3	0-1-1½	0-3-4½	0-3-0
for 1-3-0 to 1-7-0	0-2-4½	0-1-2¼	0-3-6¾	0-4-0
for 1-8-0	0-3-0	0-1-6	0-4-6	0-5-0

It is noticed that the above rates are not being paid by the Proprietors of Cinema Theatres, but they are guided by the rates which the Deputy Commissioner, Bangalore District (Urban) had communicated in his letter No 13310/H/48-49 dated 21-2-1949 addressed to the Secretary of the Mysore Film Chamber of Commerce (copy enclosed for ready reference) who sought clarification on the subject The Secretary is understood to have circulated a copy of the above letter to all the proprietors for guidance.

The rates to be paid according to the above letter are

For Rs 2/- class	E.T.	0-4-0
	Surcharge	0-2-0
		0-6-0

(20)

Rs 1-3-0 class	E T	0-2-0
	Surcharge	0-1-0
		0-3-0
Re 1/- "	E T	0-2-0
	Surcharge	0-1-0
		0-3-0
0-11-6	E T	0-1-0
	Surcharge	0-0-6
		0-1-6
0-11-0	E T	0-1-0
	Surcharge	0-0-6
		0-1-6
0- 8-0	E T & Surcharge	0-0-4

The rates of levy mentioned in the abowe letter are incorrect and are not in accordance with standing orders This point is clear as per rulings given by Government in their No L 7515 dated 28-10-1950 communicated to the Deputy Commissioner, Mandya District, by the Secretary to Government, L S G Department, to the effect that the Mandya Talkies has to affix an entertainment tax stamp of two annas for tickets of eleven annas each issued by him when he sought instructions on the point It is Government alone that is competent to interpret their orders It is therefore necessary that strict instructions are issued to the Deputy Commissioner regarding the proper levy of entertainment tax

3. The accounts maintained by Majestic and Sagar Theatres were examined in detail from 1-4-1951 to 31-3-1952 and the following irregularities are noticed.

(i) The following is the rate of admission and levy of entertainment tax in these threatres till 31-3-1952 as against the correct levy noted against each

Rate of Admission	E T	Surcharge	Show Tax	Total	Correct levy
1- 5-6	0-3-0	0-1-6	-	1-10-0	0-4-0
1- 0-0	0-2-0	0-1-0	-	1- 3-0	0-3-0
0-11-6	0-1-0	0-0-6	0-0-6	0-13-6	0-2-0
0- 7-8	0-0-4	-	0-0-6	0- 8-6	0-2-0
0- 7-8	0-0-4	-	0-0-6	0- 8-6	0-2-0
0- 4-8	0-0-4	-	0-0-6	0- 5-6	0-0-4

(ii) A separate register of stamps in Form No I (vide 19) is not maintained The total value of stamps purchased and issued is being noted in the register showing the tickets sold every day The Proprietor may be directed to maintain the

the stamp accounts in the prescribed form and to mention name of the vendor from whom the stamps were purchased As things stand at present it is not possible to say whether all the stamps were purchased and used in these threatres as there is no check by any officer His figures of purchase could not be verified wihh the figures, if any, maintained by the stamp vendor With a view to see that there is no leakage of revenue, the Deputy Commissioner is requested to arrange for periodical check of the registers, maintained by the stamp vendors and the proprietors of Cinema Theatres and to arrange for surprise check of the tickets issued.

(iii) T he Proprietor of Majestic Theatre has permitted a person to run morning shows since October 1951 violating the conditions under which a license is issued to him The Deputy Commissioner is requested to take action for such violations

(iv) The proprietor of these two theatres has been levying a tax of 0-0-6 on ticket of 0-11-6 , 0-7-8, 0-4-8 since July 1951 to cover the show tax fee levied by Government since April 1951 Since there is no provision inthe show Tax Act for an additional levy of Show Tax by the Proprietors, this has to be construed as an enhancement of rate of admission The rate of admission have been enhanced since July 1951 in these two theatres, without enhancing the Entertainment Tax suitably. Instead of paying 0-2-0 Entertainment tax on 0-11-6 or 0-12-0 and 0-8-2 tickets, he has been paying entertainment tax of 0-1-6 and 0-0-4 respectively This has resulted in short recovery of Rs.18,052-3-0 from Majestic Theatre and Rs 18,692-13-6 from Sagar Theatre from 1-4-1951 to 31-3-1952 as detailed below as per his own statements sent tothe District Superintendent of Police This amount has got to be recovered from the Proprietor of these two Theatres If the figures of previous years are also looked into the leakage will be very considerable The Deputy Commissioner is requested to look into the accounts of the previous years and to recover the amount thus arrived at.

OFFICE OF THE CHIEF MINISTE

NOTE

Dated September 16, 1954

20

M 269

A petition presented by Dr R M Patel regarding the entertainment tax for the year 1950-51 in respect of Majestic and Sagar Talkies was forwarded to the Financial Secretary with the minute of the Chief Minister The Chief Minister desires to be informed of the action taken in the matter

By Order,

Personal Secy to the Ch Min

Fin Secy)

Whatever References were received on Entertainment tax have been sent to L-S Secy for disposal as the Ent tax is dealt with by ML Br and only Show tax is dealt with by Budget Section

P S

Chief Min

Asst Secy
ML Br

(24)

L.8638/CM 31-54-37
NDCC 15-10-54

To

Sri R M Patel
Partner, Select Pictures Circuit — ry 1954
Ganesh Nagar B city

Sub: Short recovery of
Entertainment Tax at
Sagar and Majestic Talkies
Bangalore

With reference to
his representation dated 25-1-54
12-2-54
forwarded to the Chief Minister
for Waiving the recovery of Short
levy of entertainment Tax
at the above two Talkies, the
Petitioner is hereby informed
to interview the Chief Minister
on this day
on 29-10-1954
at 9-15 A.M in the Old
Public Offices Bangalore

P.O is taken
as public office

this day

Yours
Assistant Secretary
29/10

GOVERNMENT OF MYSORE

Mysore Government
General and Revenue Secretariat
(Municipal Branch)

No L 863 131-54(57)/37 *Dated Bangalore* 15 - 10 - 1954

ENDORSEMENT
NOTICE

To

Sri R M Patel,
Partner, Select Pictures Circuit,
Gandhinagar, Bangalore City

Subject Short recovery of Entertainment Tax at Sagar and Majestic Talkies, Bargalore

- - -

With reference to his representation dated 25-1-1954/ 12-2-1954 presented to the Chief Minister for waiving the recovery of short levy of entertainment tax at the above two Talkies, the petitioner is hereby informed to interview the Chief Minister in the matter on Friday the 29th October 1954 at 9-15 A.M. in his chambers, in the old public offices, Bangalore

(V Hanumanthappa)
Asst Secretary to Government
L S G & Planning Departments

krr-2/13 X

From
Messrs Select Pictures Circuit
Gandhinagar
Bangalore

11th February 195

The Deputy Commissioner,
Bangalore District,
Bangalore

Dear Sir, Ref: Short recovery of E T payment-Your letter No 334-J7-52-53 of 23-9-52, Sagar and Majestic Talkies

With reference to the above we beg to state that certain points are not clear and as such we shall be obliged if you will enlighten us in detail

1) Is the demand based on modified E T rates as contained in your letter No 334/J7-52-53 of 26-7-52 with retrospective effect on the period from 1-4-51 to 31-3-52?

Throughout this period, entertainment tax is collected and remitted by us as contained in yours No 13310/H 48-49 of 21-2-49 through The Mysore Film Chamber of Commerce as any other Cinema in Bangalore (though the demand notice is, as far as we are aware, is only on us) Entertainment Tax is payable by the visiting public and this was collected according to yours of 21-2-49, whereas entertainment tax rates demanded seem to be corroborating with the rates of your modified circular of 26-7-52 for the period from 1-4-51 to 31-3-52 We request you to advise us as to which E T rates are made applicable in the demand notice for the period under reference

2) The heading in your demand notice, col-2, states "Rates of admission inclusive of E T " Is the demand made for E T calculated on the price of admission inclusive of E T amount ?

This has created confussion and it is not clear if the rate of E T as applied in the demand notice are on the price of admission including entertainment tax With reference to this we are reproducing below what the price of admission shall be as outlined in clause 10 of chapter III-Mysore Amusement Tax Regulation

"For the purpose of this rule 'price of admission' means the price exclusive of the entertainment tax and there shall be marked on every such ticket a statement that the price marked thereon excludes the entertainment tax "

P T O

3) Is the Show Tax shown by us seperately of the price of admission on each ticket included in the price of admission in your above demand notice for E T purposes ?

We feel that the Show Tax is the tax paid by the public as printed seperately on each ticket and remitted by us to the Government and it cannot form ~~form~~ part of the price of admission as is clear in clause 10 of Chapter III in which it is stated that only price of admission shall be subject to entertainment tax How can a tax be subject to another tax ?

4) Even presuming that E T rates now demanded are with retrospective effect and inclusive of Show Tax, the details worked out seem to be defective for the following reasons such as :-

Price of admission	0-7-8
Show Tax	0-0-6
	0-8-2

rounding off at 0-8-0 E T as contained in your circular of 26-7-52 shall be 0-1-6 from which after deducting 0-0-4 E T already paid, the demand can be for 0-1-2 but the demand notice mentions tne difference as 0-1-8 etc ,etc ,

Awaiting your kind reply and thanking you,

Yours faithfully,

FOR SELECT PICTURES CIRCUIT

L 10476 T
30-11-54

LEAF 28

CY 31 54-58

To

The Deputy Commissioner,
Bangalore District

Sir,

Subject Short recovery of Entertainment Tax at Sagar and Majestic Talkies, Bangalore, resulting on account of including the show tax in the price of admission

Please refer to letter no 1) dated 16/17th Feby 54 along which a copy of a letter from the Proprietor the Select Circuit, on the above subject was forwarded to you

1) Sri K M Patel, Partner, Select Picture Circuit Bangalore City, ~~during the course of discussions with the Secretary to Government, L S G and Planning Departments,~~ has been heard by Government represented that the arrears of Entertainment Tax ~~resulting on account of inclusion of show tax in the price of admission~~ had been calculated on the price of admission including show tax from a date prior to the introduction of Show Tax Act (Mysore Act No XVI of 1951 i e , 30-4-51) It was requested that the arrears be calculated from the date on which the show tax act came into force ~~This was a reasonable request. Government are pleased to concede to this~~

If the request is correct, it may be conceded

2) The second point urged by Sri Patel was that the arrears demanded from him include the Entertainment Tax already paid by him, and that the actual arrears have to be ~~taken as the amount claimed minus~~ worked out after deducting the amount paid This ~~was also~~ is a reasonable request The arrears must be demanded after deducting the amount paid by the party

3) There are some errors in the calculation of ET The third point was that the Entertainment Tax on the admission fee including Show Tax should be more then what has been paid by the party For example in the ticket B No 100021, the price for admission is printed as

	Re	0- 7- 8
Show Tax	"	0- 0- 6
Total	"	0- 8- 2
Entertainment Tax	"	0- 0- 4

The actual entertainmet tax to be recovered as per rules is 0-2-0 calculated or 0-8-2 ~~since~~ the demand now made is only 0-0-4 In this ticket alone the Government have lost 0-1-8 If the party had paid 0-0-4 of Entertainment Tax the balance of Entertainment tax to be recovered from him is 0-1-8 which is the difference between the amount to be paid and the amount paid Sri patel ~~replied~~ stated that the notice of demand sent to him does not contain the details as per the above calculation, but some thing more is demanded Government observe that the demand notice should show these details so that there may not be any confusion regarding the amount claimed

4) ~~Lastly~~ Sri Patel, further represented was, ~~said~~ that he is not fully convinced regarding the mode of calculation of entertainment tax on price of admission including Show Tax, and that he had calculated as per the instructions received from the District Magistrate long back and that he ~~cannot~~ could not be held responsible now to pay the arrears which resulted due to wrong rates furnished by the District Magistrate (Deputy Commissioner) ~~Government observed~~ that any error in the calculation cannot be taken as ~~a conclusive proof~~ an excuse for non-payment ~~and as in the case of Income tax when such errors in calculations are found out,~~ it is the duty of superior officers to point out the mistakes and therefore it was promised to issue instructions to subordinate officers to recover the arrears legally due

It was pointed out

If amounts legally due Entertainment Tax is leviable on the price for admission, and the proprietor charges Just because the proprietor says that he cannot get a portion of the admission fee for payment of the tax, it does not mean that tax is leviable in the reduced amount.

5) In the light of the above observations, I am directed to request you to be so good as to work out the arrears as per rates prescribed and also from the date of introduction of the Show Tax

6) A fresh demand notice for arrears of Entertainment Tax worked out on the above basis may be issued to the Proprietor of Sagar and Majestic Talkies and the arrears recovered as early as possible

7) The stay order issued in this office letter No L 15200 dated 17th Feby, 1954 is vacated

Yours faithfully,

Secretary to Government,
L S G & Planning Departments

Memo No L

Copy of the above is forwarded to the Deputy Commissioners of other Districts for information and needful action

Secretary to Government,
L S G & Planning Departments

knr/draft/4 11

GOVERNMENT OF MYSORE

No L 10496/CM31-54-58 Mysore Government Secretariat (Judicial Branch)
Dated Bangalore 30-11-1954

FROM

The Secretary to the Government of Mysore
Home & Planning Department

To

The Deputy Commissioner,
Bangalore District

Sir,

Subject: Short recovery of Entertainment Tax at Regal and Majestic Talkies, Bangalore, re alleged, on account of inclusion in the new tax in the price of admission.

I have to refer to letter No.L.15200/57. dated 16/17-2-1954 along with which a copy of a letter from the Proprietor, Select Pictures Circuit, on the above subject, was forwarded to you.

Sri M.Patel, Partner, Select Pictures Circuit, Bangalore City, has been heard by Government. He represented that the arrears of Entertainment Tax had been calculated on the price of admission including show tax from a date prior to the introduction of new tax at (years at the XVI of 1951 i.e., 30-4-1951) It was requested that the arrears to be calculated from the date on which the new tax came into force. If his request is correct, it may be conceded.

The second point urged by Sri Patel was that the arrears demanded from him include the Entertainment Tax already paid by him, and that the actual arrears have to be worked up after deduction the amount paid. This is a reasonable request. The arrears must be demanded after deducting the amount paid by the party.

There are some errors in the calculation of Entertainment Tax. For example in the ticket No 100 2 -

the price for admission as printed as	As. 0- 7- 8
Show Tax . .	" 0- 0- 6
Total - - -	" 0- 8- 2
Entertainment Tax .	-do- 0- 0- 4

The actual entertainment tax to be recovered as per rules is As. 0-8-0 calculated as, a.0-8-2. The demand now made is only 0-0-4. In this

it alone the Government have lost 0-1-8 If the party had paid
1 of entertainment tax the balance of entertainment tax to be re-
red from this is 0-1-8, which is the difference between the amount
e paid and the amount paid Shri Patel stated that the notice of
nd sent to him does not contain the details as per the above cal-
ation, but some thing more is demanded Government observe that
demand notice should show these details so that there may not be
confusion regarding the amount claimed.

Shri Patel further represented that he was not fully convinced
garding the mode of calculation of Entertainment Tax on price of admis-
ion including show tax, that he had calculated as per the instructions
eceived from the District Magistrate long back and that he could not be
held responsible now to pay the arrears which resulted due to errone-
rates furnished by the District Magistrate (Deputy Commissioner) It
was pointed out that any error in the calculation cannot be taken as an
excuse for non-payment of amount legally due Entertainment tax is
leviable on the price if the proprietor charges for admission, and just
because the proprietor says that he earmarks a portion of the admission
fee for payment of show tax, it does not mean that tax is to be levied on
the reduced amount

In the light of the above observations, I am directed to request
you to be so good as to work out the arrears as per rates prescribed
and also from the date of introduction of the Show Tax Act

Fresh demand notice for arrears of Entertainment Tax worked out
on the above basis may be issued to the Proprietor of Noor and Majestic
Talkies and the arrears recovered as early as possible

The stay order issued in this office letter No L 15200 dated
17-7-54 is hereby vacated.

Yours faithfully,

for Secretary to Government,
Local Self Govt. & Planning Departments

knr-11/29-11

Memo No L/0433-84 /30-11-54

Copy of the above is forwarded to the Deputy Commissioners of other Districts for information and needful action.

30/11

for Secretary to Government.

II ENDORSEMENT C/Y 31 54 59

To

Sri P M Patel
Partner, Select Pictures Circuit,
Gandhinagar, Bangalore City

Subject Short recovery of Entertainment Tax at Sagar and Majestic Talkies Bangalore

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With reference to his representation dated 28-1-54 addressed to the Chief Minister for waivin the recovery of short levy of entertainment tax a the above two talkies and with reference to his discussion with the Secretary to Government, L S G and Plg Department on 30-10-1954, he is informed that instructions have been issued to the Deputy Commissioner, Bangalore District, to claim the arrears of ~~show~~ tax included in the price of admission from the date of the Show Tax Act and to calculate the entertainment tax on the basis of correct rate of entertainment tax and to issue a fresh demand notice He may be contacted for further information

Secretary to Government,
L S G & Planning Departments

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GOVERNMENT OF MYSORE

No L 10485 CM 31-54-59 Mysore Government Secretariat (Municipal Branch)
Dated Bangalore 30-11-1954

ENDORSEMENT

To

Sri R M Patel,
Partner, Select Pictures Circuit,
Gandhinagar, BANGALORE CITY

Subject Short recovery of Entertainment Tax at Sagar and Majestic Talkies, Bangalore

With reference to his representation dated 25-1-54 addressed to the Chief Minister for waiving the recovery of short levy of entertainment tax at the above two talkies and with reference to his discussion with the Secretary to Government, L S G & Planning Department on 30-10-1954, he is informed that instructions have been issued to the Deputy Commissioner, Bangalore District, to claim the arrears of tax included in the price of admission from the date of the Show Tax Act, and to calculate the entertainment tax on the basis of correct rate of entertainment tax and to issue a fresh demand notice He may be contacted for further information

30/11

(V Hanumanthappa)
for Secretary to Government,
L S G & Planning Department

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